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HOUSE BILL 2909
By Rinks

AN ACT to amend Tennessee Code Annotated,
Sections 62-43-108 and 63-43-113, relative to the
staff leasing companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-43-108(b)(3), is amended by adding the
following language as a new subdivision (C):

Notwithstanding any other provision of this chapter, the applicant shall obtain a
corporate surety bond, in a form and content satisfactory to the Commissioner, in
the amount of \$100,000 or 5% of the applicant's outstanding liabilities, whichever
is greater, as shown by an audited financial statement or financial statement
prepared in accordance with Generally Accepted Accounting Principles which
financial statement shall be presented with the bond. The bond required herein
shall condition and secure the principal's honest conduct of its business and
compliance with all of the requirements of this chapter and the laws of the State

of Tennessee, as well as the rules and regulations promulgated pursuant to this chapter. Any person having a right of action against a staff leasing company arising from non-compliance with a requirement of this chapter or Title 50 may bring suit against the principal and sureties of such bond.

SECTION 2. Tennessee Code Annotated, Section 62-43-113(b)(2), is amended by deleting the punctuation (.) at the end of such subdivision and adding the following new language at the end of such subdivision:

and, beginning on January 1, 2003, keep separate records and submit separate quarterly premium and wage reports pursuant to Title 50, Chapter 7, Part 4 to report the leased employees of each of its clients by using the client lessee's account number and premium rate.

SECTION 3. Tennessee Code Annotated, Section 62-43-113(c), is amended by adding the following language as a new subdivision (5) at the end of such subsection:

Worker's compensation premiums shall be determined and paid based on the experience rating of the client company for which the leased employee performs services, provided the client company has sufficient worker's compensation premium volume to be experience rated, otherwise the premiums shall be the rate approved for an employer that cannot be experience rated.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.